

Message Text

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ACTION AF-08

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P R 201250Z AUG 16
FM AMEMBASSY MAPUTO
TO USDOC PRIORITY
INFO SECSTATE WASHDC 4923
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E.O. 11652: N/A

TAGS: BEXP, ETRD, BRAK, MZ, US

SUBJECT: MOZAMBIQUE WHEAT TENDER

REF: MAPUTO 300

1. KERSASP GINWALA, OWNER/MANAGER OF GINWALA COMMERCIAL OF MOZAMBIQUE

,
ADVISED EMBOFF AUGUST 18 THAT HE HAD OBTAINED A GPRM TENDER FOR
20,000 TONS OF WHEAT. GINWALA HAD HOPED TO SUPPLY WHEAT THROUGH
US FIRM EAST EUROPE DOMESTIC INTERNATIONAL SALES CORPORATION, 40
PARK AVENUE, NEW YORK, MANAGER RICHARD ROSS.

2. AFTER TENDER AWARDED TO GINWALA, HE CONTACTED US FIRM RE POSTING
OF PERFORMANCE BOND. EAST EUROPE REPLIED THEY WOULD POST BOND IF GIN-
WALA WOULD OPEN LINE OF CREDIT. GINWALA REP TOLD EMBOFF FIRM'S
ANSWER WAS UNUSUAL. GINWALA'S TRADE CONTACTS IN LONDON WARNED GIN-
WALA THAT US FIRM HAS RECORD OF IRREGULAR PERFORMANCE, AND LOCAL REP
OF LUIS DREYFUS TOLD GINWALA SAME THING. EAST EUROPE'S TELEX TO GIN-
WALA STATED THAT EAST EUROPE IS APPROVED BY USDA FOR GRAIN SALES
UNDER PL 480 AND CCC. EAST EUROPE'S QUOTED PRICE TO GINWALA WAS
\$134.00 PER METRIC TON CIF FREE OUT, WHICH WAS SUBSTANTIALLY
LOWER THAN COMPETITIVE BIDS.

3. GINWALA RELUCTANT TO PURSUE TENDER IF US FIRM UNABLE TO
MEET COMMITMENTS. GINWALA STATED THEY WOULD RATHER BACK OUT
OF BID AND PAY PENALTY NOW, SINCE UNDER TERMS OF TENDER
THEY HAVE ACCEPTED ALL RISKS FOR GUARANTEE OF QUALITY AND
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DELIVERY.

4. GINWALA REP APPROACHED EMBASSY TO REQUEST INFO ON RELIABILITY OF US FIRM, AND TO REQUEST THAT EMBASSY ASK USDOC ON URGENT BASIS TO CONTACT OTHER US FIRMS WHO COULD MEET TENDER SPECS AND MEET OR APPROACH DELIVERY DATES. FIRM HAS ALREADY CONTACTED INTL COMMODITY EXPORT CO. OF NEW YORK, AND BUNGE, WHO COULD NOT.

5. WHEAT TENDER SPECS AS FOLLOWS: 20,000 METRIC TONS, WITH PLUS-MINUS FIVE PERCENT SELLERS OPTION, 10 PERCENT BAGGED ALLOWED FOR STORAGE. COMPOSITION; 40 PERCENT HARD WINTER NUMBER TWO WITH MINIMUM 12 PERCENT PROTEIN PLUS 60 PERCENT RED WINTER NUMBER TWO WITH MINIMUM 9 PERCENT PROTEINS. MIXTURE CAN BE CHANGED SOMEWHAT AS LONG AS MINIMUM PROTEIN OF MIXTURE IS ABOVE 10.2 PERCENT BASED ON VALUE OF N TIMES 5.7 ON BASIS OF 13.5 PERCENT MOISTURE. BUSHEL WEIGHT 78 KILOS PER HECTOLITER, MOISTURE MAXIMUM 14 PERCENT, #IMPURITY MAXIMUM SIX PERCENT. WHEAT TO BE DELIVERED AS FOLLOWS: 13,000 TONS TO MAPUTO, 4,000 TONS TO BEIRA, 3,000 TONS TO NACALA. DELIVERY DISCHARGE DATES SEPTEMBER 13-20 WITH PLUS-MINUS 8 DAYS TOLERANCE. DEMURRAGE 1*900 PER DAY, ONE-HALF DISPATCH.

6 GINWALA REQUESTED OTHER SUPPLIERS TELEX HIM WITH PROPOSALS AT GINWALA COMMERCIAL, MAPUTO, MOZAMBIQUE, TELEX 64471/FAIR MOZAMBIQUE. GINWALA LOOKING FOR WHEAT AT PRICE OF \$134 PER METRIC TON CIF FREE OUT, BUT THIS OF COURSE NEGOTIABLE. IF FIRMS CANNOT MEET SPECIFIED DELIVERY DATE (WHICH IS LIKELY), FIRMS SHOULD INDICATE DATE DELIVERY COULD BE MADE.

7. ACTION REQUESTED: REQUEST USDOC OR USDA SUPPLY EMBASSY WITH INFO ON EAST EUROPE DOMESTIC INTERNATIONAL, AND ON FIRM'S ABILITY MEET TENDER TERMS. FYI THIS FIRST MAJOR SALE US COMMODITY TO INDEPENDENT MOZAMBIQUE. END FYI. ALSO REQUEST USDOC CONTACT OTHER WHEAT SUPPLIERS ON URGENT BASIS, AND REQUEST THEY CONTACT GINWALA.
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*** Current Classification *** UNCLASSIFIED

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